



Senate

General Assembly

File No. 76

January Session, 2005

Senate Bill No. 652

Senate, March 30, 2005

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT REGARDING THE RETURN POLICY OF RETAIL STORES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-110aa of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective from passage*):

3 (a) [A refusal by any] No person engaged in trade or commerce in
4 this state, upon the return of goods purchased from such person's
5 place of business, shall refuse to accept the returned goods
6 immediately and issue the individual returning such goods either a
7 cash or credit refund of the purchase price or credit towards the
8 purchase of another item offered for sale at such person's place of
9 business, provided such return is made within the period of time
10 established by such person for the acceptance of returned goods and
11 provided further, such goods are returned in a manner consistent with
12 such person's conspicuously posted refund or exchange policy. [,
13 constitutes an unfair trade practice under subsection (a) of section 42-
14 110b.] Such person shall provide, upon a consumer's request, a clear,

15 written description of such person's refund or exchange policy and
 16 such person's posted refund or exchange policy shall also include clear
 17 and conspicuous notice that a written description of such refund or
 18 exchange policy is available upon request.

19 (b) Notwithstanding the provisions of subsection (a) of this section,
 20 in the event that a consumer returns goods within the period of time
 21 established by such person for acceptance of returned goods and
 22 produces a valid receipt for such goods, such person shall provide a
 23 cash or credit refund or credit towards the purchase of another item
 24 offered for sale at such person's place of business unless such goods
 25 were clearly marked as nonrefundable or nonreturnable. In the event
 26 such person's stated return policy limits the amount of returned goods
 27 from a consumer, such policy shall not include goods returned within
 28 the period of time established by such person for acceptance of
 29 returned goods with a valid receipt and such person shall send a
 30 written notice to such consumer's home address or post office box
 31 informing such consumer when such consumer has one or more
 32 allowable returns under such policy.

33 [(b)] (c) This section shall not be construed to prohibit any person
 34 engaged in trade or commerce in this state from extending the period
 35 of time during which such person will accept the return of goods
 36 purchased from such person's place of business.

37 [(c)] (d) This section does not apply to perishable goods, including
 38 readily perishable foods and beverages, or goods clearly marked as
 39 nonreturnable pursuant to such person's conspicuously posted refund
 40 or exchange policy.

41 (e) Any violation of the provisions of subsection (a) of this section
 42 shall constitute an unfair trade practice for purposes of section 42-110b.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	42-110aa
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GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Consumer Protection, Dept.; Attorney General	Various - Revenue Gain	Potential Minimal	Potential Minimal

Municipal Impact: None

Explanation

The bill makes it an unfair trade practice for retailers not to provide a cash refund or store credit if the buyer returns goods within the seller's stated time to accept returned goods and the buyer produces a valid receipt. Under the Connecticut Unfair Trade Practices Act (CUTPA), the Department of Consumer Protection (DCP) and the Attorney General can impose CUTPA fines. In FY 04, \$18,789 was deposited in the General Fund as a result of such fines.

In the case of settlements, depending on the negotiation terms, funds are either deposited into the DCP's Consumer Protection Settlement Account or the General Fund. Funds deposited into the Consumer Protection Settlement Account are used only to enhance activities that further consumer protection. In FY 04, \$86,500 in CUTPA fines were deposited into the DCP Consumer Protection Settlement Account. Additionally, in FY 04, \$135,212 in CUTPA fines were deposited into the General Fund as a result of settlements negotiated by the Office of the Attorney General (OAG). The state agencies could accommodate the workload associated with enforcement of the bill without requiring additional resources. To the extent that the bill increases the potential for future violations, the bill could result in a minimal revenue gain to the state.

OLR Bill Analysis

SB 652

AN ACT REGARDING THE RETURN POLICY OF RETAIL STORES**SUMMARY:**

This bill requires retailers to provide a cash refund or store credit if (1) the buyer returns goods within the seller's stated time to accept returned goods and (2) the buyer produces a valid receipt, unless the goods were clearly marked as nonrefundable or non-returnable. It also requires sellers to provide a clear, written description of their refund or exchange policies on request.

EFFECTIVE DATE: Upon passage

RETURNED GOODS

If the seller's policy limits the amount of goods a buyer may return, the bill prohibits the policy from counting goods returned within the seller's time to accept returned goods toward the limit, regardless of the law authorizing retailers to establish their own refund or exchange policies.

The bill requires the seller to send the buyer, at his home address or post office box, a notice informing him that he has one or more allowable returns under the policy.

RETURN POLICY

By law, sellers commit an unfair trade practice if they fail to accept the return of goods and immediately issue a cash refund or store credit if the return is made within the time period established by the seller to accept returns and the goods are returned in a way that complies with the seller's conspicuously posted refund or exchange policy. The bill requires the seller's posted policy to include a clear and conspicuous notice that the written refund or exchange policy is available on request. The bill makes failing to post the notice or provide a written policy an unfair trade practice.

BACKGROUND

Connecticut Unfair Trade Practices Act

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the DCP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. The act also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable Report

Yea 12 Nay 3